

Item: 7

Asset Management Sub-committee: 2 September 2025

Corporate Asset Improvement Programmes

Capital Expenditure Outturn.

Report by Head of Finance

1. Overview

- 1.1. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.
- 1.2. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.
- 1.3. The annual programmes of capital improvements are approved by the Asset Management Sub-committee. The plant and vehicle replacement programme for 2024/25 was approved on 30 January 2024, and the corporate asset improvement programme and the IT capital improvement programme for 2024/25 were approved on 19 March 2024.
- 1.4. The table below provides an overview of the expenditure incurred for the financial year 2024/25.

Project Description	Outturn 2024/25.	Annual Budget 2024/25	Overspend/ (Underspend)
General Fund – Capital Improvement Programme	£1,225,144.	£1,351,400.	(£126,256).
Strategic Reserve Fund – Capital Improvement Programme	£0.	£118,400.	(£118,400).

Project Description	Outturn 2024/25.	Annual Budget 2024/25	Overspend/ (Underspend)
General Fund - Plant, Equipment and Vehicle Replacement Programme	£1,334,976.	£1,733,500.	(£398,524).
Trading Services - Plant, Equipment and Vehicle Replacement Programme	£77,095.	£306,000.	(£228,905).
IT Replacement Programme.	£419,346.	£420,000.	(£654).
IT Replacement Programme – COVID-19 Recovery Projects	£61,953.	£64,100.	(£2,147).
Total	£3,118,514.	£3,993,400.	(£874,886).

1.5. A detailed breakdown of the approved programmes of work for financial year 2024/25, including individual project updates, is attached as Appendix 1.

2. Recommendations

2.1. It is recommended that members of the Sub-committee:

- Note the summary outturn position of expenditure incurred for financial year 2024/25 in respect of the corporate asset improvement programmes, as detailed in section 1.4 of this report.
- Note the detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to this report.

For Further Information please contact:

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Implications of Report

- 1. Financial** The Financial Regulations state that Corporate Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
- 2. Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.

3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of expenditure incurred against the approved annual capital improvement programmes is referred to the Asset Management Sub-committee.
4. **Human Resources** N/A
5. **Equalities** An Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** An Island Communities Impact Assessment is not required for financial monitoring.
7. **Links to Council Plan** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - ☐ **Growing our economy.**
 - ☐ Strengthening our communities.
 - ☐ Developing our Infrastructure.
 - ☐ Transforming our Council.
8. **Links to Local Outcomes Improvement Plan** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - ☐ Cost of Living.
 - ☐ Sustainable Development.
 - ☐ Local Equality.
 - ☐ Improving Population Health.
9. **Environmental and Climate Risk** Where resources allow, improvement works can include ‘greener’ solutions.
10. **Risk** Improvement of existing assets can help reduce risks associated with these assets.
11. **Procurement** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
12. **Health and Safety** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
13. **Property and Assets** Included throughout the report and detailed in the Appendix.
14. **Information Technology** Up to date IT systems should help reduce risk to the Council.
15. **Cost of Living** N/A

List of Background Papers

Asset Management Sub-committee, 30 January 2024, Plant and Vehicle Replacement Programme.

Asset Management Sub-committee, 19 March 2024, IT Replacement Programme and Corporate Asset Improvement Programme.

Appendix

Appendix 1 – Corporate Asset Improvement Programme Outturn 2024/25

	General Fund Capital Improvements								Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description											
1	OIC Depot - Workshop and Office (H88)	Re-roofing of existing OIC depot (H88)							£148,715	£150,000	(£1,285)	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn					
	£287,500	OIC - NS&I - Property	WRC	£195,822	Summer 2024	Autumn 2024	£227,887	£227,887					
	Committee Update: The roof at the OIC Hatston Depot is severely corroded and needs to be replaced. Although the project was originally scheduled for Summer 2023, it was delayed due to resource constraints. A consultant architect was appointed in June 2023, and the design phase was completed by December 2023. Tenders were issued that same month, with a contractor appointed in January 2024. Materials were procured by March 2024, allowing construction to begin in April 2024. The work was successfully completed in July 2024. The project was delivered under budget.												
2	Council Offices	High level survey and scheme design - Project to address water ingress issues and stone erosion. - Design Tender accepted June 2020. - Survey works completed in September 2020. - Design works to be completed in financial year 22/23. - Tender accepted June 2023. - Multi phase construction to commence 2023 and likely to run to 2033							£454,504	£232,400	£222,104	£300,000	£300,000
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn					
	£1,630,000	Robert Potter and Partners LLP	Casey Construction Ltd	Contract 1 - £337,541	2023/2024	Oct-24	£758,162	£1,630,000					
	Committee Update: Due to budget constraints, the works have been phased and will now be delivered over several years. The original budget of £1.63 million, approved in 2021, remains under review to reflect the ongoing deterioration of the structure and the impact of inflation over the extended timeline. The first phase was procured in June 2023, with planning consent granted in August 2023. All works are being carried out in accordance with the requirements for a Category B listed building. This initial phase is currently on-site but progressing more slowly than anticipated. Delays have been caused by several unforeseen issues, including severe stone erosion, unstable chimneys, and severely corroded steel ladders requiring full replacement. Despite these challenges, significant progress has been made: Cracked lintels and cills have been replaced, extensive timber elements have been renewed, steel ridge capping on the tower has been replaced, failed ridge tiles, removed skews, and deteriorated leadwork have been addressed. Rotten sarking has been replaced and re-slating completed. A Non-competitive Action (NCA) request for Contract 1 for £641,000 was approved in September 2024 to cover some of the additional work, with works beyond the value of the NCA to be subject to a separate procurement exercise and new contract.												

	General Fund Capital Improvements							Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27	
	Asset Name	Description											
3	St Margaret's Hope Primary School	Improve thermal performance of building- Improve thermal performance of fabric; Install new high performance doors and windows. Replace fascia's, soffits, gutters and downpipes.						£300,032	£293,300	£6,732	£0	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Contract Completion	Overall Value to date						Probable Outturn
	£322,000	HRI Munro	Fabric - Orkney Builders Ltd	Fabric - £280,680.10	Summer 2024	Summer 2024	£393,686						£410,000
	Committee Update: HRI Munro conducted a site survey during the October 2021 school holidays. The original intention was to deliver a comprehensive upgrade project encompassing heating, insulation, windows/doors, and fascia works under a single contract. However, due to complexities, the project was split into two elements: replacement of windows/doors and fascia board, and a separate procurement process for the heating system. A detailed review of the insulation strategy was undertaken to identify the most cost-effective solution, considering both capital cost and long-term payback. As a result, external wall insulation has been deferred and will instead be incorporated into future re-roofing works. This will enable the integration of a cohesive warm roof and external wall insulation (EWI) system. Further investigations revealed the need for additional work, including replacement of doors, installation of door entry control systems, structural framing for fascia boards. These additions increased the overall contract value, which has led to an overspend against the original approved budget. Works are substantially complete and the final account remains to be concluded.												
4	St Margaret's Hope Primary School	Boiler and flue improvement works - Replace oil boilers that are at the end of their life with renewable heat source.						£0	£0	£0	£517,943	£15,000	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Contract Completion	Overall Value to date						Probable Outturn
	£500,000	HRI Munro & FLN Ltd	S R Paterson Ltd	£532,943.03	Spring 2025	Winter 2025	£13,447						£550,000
	Committee Update: The project has experienced a delay of approximately six months, primarily due to design constraints and ongoing budgetary pressures. As a result, the works have been rescheduled for delivery in financial year 2025/26. The replacement heating system design has been completed. The original programme anticipated on-site works commencing in Winter 2024, with the system changeover scheduled for completion during the Summer 2025 school holidays. The project was tendered and contractor appointed in January 2025. Following this, works commenced on-site in April 2025, with completion expected by October 2025.												

	General Fund Capital Improvements								Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description											
5	Stromness Academy	Heat Source Replacement : Heating and ventilation strategy to identify how the ageing oil boilers / ventilation will be replaced. Solution to be developed following report.							£0	£35,000	(£35,000)	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Design Commencement	Target Design Completion	Overall Value to date	Probable Outturn					
	£35,000	FLN	TBA	TBA	Jun-21	TBA	£0	£35,000					
	<p>Committee Update:</p> <p>The appointed design consultants have conducted a site visit and are developing a solution that considers the learning and teaching requirements of the facility, in order to deliver an improved environment. Given that the works will extend beyond the school holiday period, a key design requirement is the ability to carry out the installation within a fully operational school setting, ensuring minimal disruption to educational activities.</p> <p>Due to the age of the existing system, the full replacement of all pipework and emitters will be necessary as part of the upgrade. Once the design solution is finalised, it will form the basis for a comprehensive review of the existing budget and funding profile. Early indications suggest that significant additional capital funding is likely to be required to deliver the full scope of works.</p>												
6	St Magnus Cathedral	Boiler and flue improvement and upgrading works, comprising new high efficiency oil boiler and balanced flue - The existing boiler is reaching the end of its operational life and requires to be replaced. The proposal is to replace the current boiler with a new high efficiency oil boiler and will involve alterations to the existing flue.							£151,425	£200,000	(£48,575)	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	£115,000	FLN Ltd & Ferrey & Mennim	S R Paterson Ltd	£312,595	Apr-24	Jun-24	£276,908	£276,908					
	<p>Committee Update:</p> <p>Listed Building Consent and procurement activities were successfully completed, and engagement meetings were held with building users.</p> <p>The project, originally scheduled for delivery in Summer 2023, was delayed due to an extended design phase and the need to incorporate client feedback. To minimise disruption, works were rescheduled to commence in March/April 2024, aligning with reduced seasonal heating demand.</p> <p>The initial budget was set prior to any design development and did not account for inflationary pressures or the full scope of required works. Following a procurement and cost reduction exercise, a tender was accepted in April 2023. To help offset additional costs, a funding contribution of £120,000 was received from The Friends of St Magnus Cathedral (TFOSMC).</p> <p>The works were completed as of September 2024, and the upgraded heating system was fully operational for the winter period. The final account has been concluded, and the project is considered successfully delivered.</p>												

	General Fund Capital Improvements							Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27	
	Asset Name	Description											
7	Sanday Junior High School & Swimming Pool	Existing windows are now nearing the end of life with the timber units starting to rot. To be replaced with high performance units.						£0	£95,000	(£95,000)	TBC	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Contract Completion	Overall Value to date						Probable Outturn
	£103,500 (to be updated)	OIC - NS&I - property	TBA	TBA	Summer 2025	Autumn 2025	£0						TBC
	Committee Update: The project, originally scheduled to commence in Summer 2023, was delayed due to internal resourcing constraints within Infrastructure and Organisational Development (IOD). Design work was also postponed to allow for a strategic review of the temporary classroom block, which was initially considered beyond economic repair. A cost-effective solution has since been identified, which no longer impacts the planned window replacement works. This has allowed the project to progress without the need for major alterations to the original scope. The procurement process commenced in March 2025, and the final scheme is currently being developed. Once complete, it will inform the preparation of a revised cost estimate and updated budget profile. The works will be scheduled in consultation with the school, with construction scheduled to begin in Summer 2025.												
8	Pickaquoy Centre & playing fields	Running track re-surfacing and line painting - Track found to be cracking up and failing after approximately 20 years of service.						£453,758	£239,000	£214,758	£0	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date						Probable Outturn
	£241,500	OIC - D&I Property	Hunter Construction	£482,671	Apr-24	Aug-24	£467,545						£467,545
	Committee Update: Initial survey works were carried out in 2020/21 by a specialist contractor, informing the original budget estimate of £241,500. The track upgrade was initially scheduled for Summer 2022, but was deferred to Summer 2023 following the postponement of the International Island Games to 2025. The first tender exercise was unsuccessful, prompting a re-procurement process in September 2023, with the contract awarded in January 2024. Although the project is reporting an overspend, this has been mitigated by a confirmed external grant of £221,250, with the remaining balance funded through underspends from other projects within the 2024/25 capital programme. The grant funding was formally released in March 2025. The works were completed as planned, and the facility has been fully operational since September 2024.												
9	OIC Depot - Fire Alarm Upgrade	Project to replace fire & emergency lighting system at OIC Depot						£21,651	£0	£21,651	£0	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date						Probable Outturn
	£140,000	FLN Ltd	E Fraser Electrical (Orkney) Ltd	£123,966	Aug-22	Oct-22	£120,188						£120,188

	General Fund Capital Improvements							Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description										
	Committee Update: Following a fire risk assessment of the OIC Depot, it was identified that the existing fire alarm and emergency lighting systems had reached the end of their operational life and required full replacement to ensure continued compliance with safety standards. The works were successfully procured, and E Fraser Electrical (Orkney) Ltd was appointed as the contractor. The installation has been completed, and the final account has now been concluded.											

	General Fund Capital Improvements								Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description											
10	OIC Depot - Fire Safety Works	Project to address passive fire safety issues identified following a fire risk assessment.							£0	£100,000	(£100,000)	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn					
	TBC	HRI Munro & FLN Ltd	TBC	TBC	TBC	TBC	£0	TBC					
	Committee Update: Following a fire risk assessment of the OIC Depot, further remediation works have been identified as necessary to ensure compliance with current fire safety standards. These works will include the installation of additional fire exits, fireproofing, and other passive fire protection measures. The broad scope of the required works has been defined. Detailed design for one of the hangars is complete, with design work for the second hangar currently in progress. While the full project cost is still being finalised, initial survey data suggests costs are likely to exceed £100,000. To enable progress, an initial budget allocation of £100,000 has been made. This will support the commencement of the first phase of works. Tenders for the first phase are expected to be issued in Summer 2025, with works scheduled for delivery in financial year 2025/26. All works will be planned to ensure the depot remains fully operational throughout the construction period.												
	Contingency	Committee Update; Contingency to be utilised to develop future projects once resource identified to develop the required projects.							£0	£0	£0		
	Totals								£1,530,085	£1,344,700	£185,385	£817,943	£315,000

	Retention Due During Coming Year							Retention Due During Coming Year			Retention Due During Coming Year	Retention Due During Coming Year	
11	Stromness Town Hall	Heat Source improvement - Oil boiler replacement.						£8,916	£6,700	£2,216	£0	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date						Probable Outturn
	£115,000	FLN Ltd	S R Paterson Ltd	£268,806	Summer 2023	Spring 24	£256,004						£256,004
	Committee Update: The heating system failed in Summer 2023, being unable to maintain pressure. As a result, the works were prioritised ahead of the planned boiler replacement at St Magnus Cathedral. Design and procurement activities were completed, and a contractor was appointed following a cost reduction exercise. It is noted that the initial budget was set prior to any design development and has not been updated to reflect inflationary pressures or the full scope of the required works. This has resulted in an overspend against the approved budget. The replacement works were completed in March 2024, and the final account has now been concluded.												
	Total - Retention due in the year							£8,916	£6,700	£2,216	£0	£0	

	General Fund Capital Improvements							Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27	
	Asset Name	Description											
	Projects added during year							Projects added during year			Projects added during year	Projects added during year	
12	North Walls School	Improve thermal performance of building- Extent of work to be investigated.						£0	£0	£0	TBC	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date						Probable Outturn
	TBC	HRI Munro Architects	TBC	TBC	TBC	TBC	£1,723						£0
	Committee Update: This project was brought forward from the long-term capital plan to enable early-stage development, allowing progress to be made in advance should additional funding become available or if other projects are delayed. A review of the loft spaces has concluded that retrofitting insulation above ceilings, up combes, and along vertical walls is impractical due to restricted access and interference with existing building services. The recommended long-term solution is to install a warm roof system when the roof coverings reach the end of their life—anticipated in approximately 10 years. This re-roofing project will also provide an opportunity to extend verges and install external wall insulation (EWI) to improve the building’s thermal performance. In the interim, it is proposed to improve air tightness, with a focus on wall-to-ceiling junctions, to enhance energy efficiency. Given the building is fully electric—including the swimming pool—and the installation of Air Source or Ground Source Heat Pumps would require significant internal infrastructure changes and potentially a new external plant room, the preferred approach is to replace the existing wind turbine with a higher-capacity model. This will help offset the building’s electrical load. Development of the wind turbine replacement project will continue through 2025, with a target completion date of March 2026. To date, costs incurred relate to overall design fees.												
13	Orkney Museum	High level survey and scheme design - Project to identify extent of re-pointing, stone repairs, stone replacements, carvings and implement an improvement plan : - Design tender accepted June 2020. - Survey works completed in September 2020. - Design works to be completed in financial year 2023/24. - Construction to be undertaken in - TBA						£4,853	£0	£4,853	£0	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date						Probable Outturn
	TBC	Robert Potter and Partners LLP	TBC	TBC	TBC	TBC	£65,032						£845,500
	Committee Update: The project programme has been revised to align with the available budget. To support overall capital delivery, design works were accelerated to utilise underspend in other areas and were completed and paid for within the 2023/24 financial year. Construction works have been deferred to prioritise more urgent projects. The revised programme now targets delivery in 2026/27, although this may be subject to further delay depending on future capital programme pressures. The full programme will be continually reviewed and updated to reflect funding availability and corporate priorities. All expenditure to date relates to design fees.												

	General Fund Capital Improvements								Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description											
14	Sanday Junior High School	Portacabin classroom accommodation external fabric upgrade.							£12,525	£0	£12,525	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn					
	TBC	OIC Architects	TBC	TBC	Summer 2025	Autumn 2025	£0	£60,000					
	Committee Update: The planned external fabric upgrade, intended to extend the useful life of the building, has been accelerated to align with current capital delivery priorities. Options for the upgrade are currently under investigation. To maximise efficiency and value for money, the works are being jointly procured alongside the window replacement contract at the associated school. The procurement process commenced in March 2025, with works scheduled to begin in Summer 2025, following consultation with the school to minimise disruption.												
	Total - Projects added during the year							£17,379	£0	£17,379	£0	£0	
	COVID Recovery Projects								COVID Recovery Projects			COVID Recovery Projects	COVID Recovery Projects
15	The Orkney Library & Archive	Replacement of oil boilers with renewable heat source							£6,762	£0	£6,762	£500,000	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	£500,000	Rykba Ltd	N/A	Framework contract	Design - 01/05/2023 Construction - TBC	Design - 01/03/2025 Construction - TBC	£6,762	£500,000					
	Committee Update: Appointed via a framework, the Mechanical and Electrical consultant has been fully briefed, and all necessary site surveys have been completed. The design phase is now complete. The next stage involves procuring the works, with the intention to commence on-site as soon as possible, subject to contractor availability and scheduling. Design fees will be incurred during the 2024/25 financial year, and the project budget will be reprofiled from 2025/26 to reflect this accelerated expenditure.												

	General Fund Capital Improvements								Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description											
16	Orphir Primary School - Replacement Heat Source Project	Project to replace existing oil boilers with renewable heat source and others works to lower operating costs							£0	£0	£0	£0	£283,400
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	TBC	M&E - Rybka Ltd & Architectural - HRI Ltd	TBC	Design services are under framework contracts. Construction - TBC	Design - 01/09/2023 Construction - TBC	Design - TBC Construction - TBC	Design - £18,323.32 Construction - £0	TBC					
	Committee Update : The commission is currently in development, with the majority of costs incurred to date being internal (e.g. staff time, preliminary assessments, and early-stage planning).												
	The full scope of works is still being defined. Once this is complete, a formal budget will be established to support delivery planning and funding allocation.												
17	Glaitness Primary School - Replacement Heat Source Project	Project to replace existing oil boilers with renewable heat source. Pool plant heating, ventilation, and filtration plant replacement.							£3,253	£0	£3,253	£0	£300,000
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	TBC	M&E - Rybka Ltd	TBC	Design services are under framework contracts. Construction - TBC	Design - 01/09/2023 Construction - TBC	Design - TBC Construction - TBC	Design - £2,053 Construction - £0	TBC					
	Committee Update: This project was brought forward from the long-term capital plan to enable early development, allowing progress should additional funding become available or if other projects are delayed.												
	Surveys have been completed by the framework Mechanical and Electrical consultant. The works include the replacement of a failed ground source heat pump serving one section of the school, including the swimming pool, which is currently reliant on immersion heaters. The project also proposes a transition from centralised hot water cylinders to point-of-use water heaters, reducing energy losses associated with storing and circulating large volumes of hot water.												
The survey also identified that the hydrotherapy pool tank has settled and cracked. While temporary repairs have been made, a major upgrade will be required, including full replacement of the above-ground pool tank and all associated mechanical systems. This element is not currently included in the ongoing heating and hot water system design.													
Design work for the heating and hot water systems is ongoing. In parallel, a comprehensive review of the school and associated buildings is underway, which may influence the final heating system design and broader infrastructure strategy.													

	General Fund Capital Improvements								Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27
	Asset Name	Description											
18	Council Offices lighting replacement	Project to replace existing lighting with new LED fittings							£0	£0	£0	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	TBA	Rybka				To Be Agreed		£0					
	Committee Update: This project has been brought forward from the long-term capital plan to enable early development, allowing progress should additional funding become available or if other projects are delayed. The framework Mechanical and Electrical consultant has been briefed, and surveys are scheduled to be undertaken. Design work is now underway, and the estimated project cost will be updated once the scope is further refined.												
	Total - COVID Recovery Projects								£10,015	£0	£10,015	£500,000	£583,400
Total General Fund									£1,556,379	£1,351,400	£204,979	£817,943	£315,000
Total COVID Recovery Funding									£10,015	£0	£10,015	£500,000	£583,400
Sources of Funding									Sources of Funding				
	Friends of St Magnus Cathedral - Contribution towards Boiler Upgrade								(£120,000)	£0	(£120,000)	£0	£0
	Sport Scotland - Running track re-surfacing and line painting								(£221,250)	£0	(£221,250)	£0	£0
Overall Total									£1,225,144	£1,351,400	(£126,256)	£1,317,943	£898,400
Contact Officer - Service Manager (Property & Capital Programme) Extn 2327													

	Strategic Reserve Fund Capital Improvements							Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Indicative Budget 2025/26	Indicative Budget 2026/27	
	Asset Name	Description											
1	69/73 Victoria Street, Stromness	Localised re-pointing to address water ingress issues, chimney repairs, re-pointing around opening and re-paint windows.						£0	£50,000	(£50,000)	£0	£0	
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Project Completion	Overall Value to date						Probable Outturn
	TBA - £50,000 initially identified	TBA	TBA	TBA	TBA	TBA	TBA						TBA
	Committee Update: An initial spend of £50,000 was identified; however, progress on the works has been delayed due to the tenant restricting access to the property.												
2	Contingency							£0	£68,400	(£68,400)	£118,400	£118,400	
	Total							£0	£118,400	(£118,400)	£118,400	£118,400	
	Contact Officer - Service Manager (Property & Capital Programme) Extn 2327												

Plant & Vehicle Replacement Programme	Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Purchase Status/Update
Planned purchases as approved at AM Sub 30/01/2024				
Lorry - DAF FA LF45.180 HL5 Hooklift	£20,000	£109,720	(£89,720)	Vehicle delivered 30/03/24 (£89,720 in 23/24 programme) - £20,000 for additional works carried out in June 2024. Completed in July 2024.
Pickup - Iveco Daily 45C15 Tipper 5.2T	£0	£46,775	(£46,775)	Delivered 30/3/24 - PVRP 23/24 spend.
Pickup - Iveco Daily Tipping Pickup 3.5T	£47,490	£47,475	£15	Delivered Sept 24.
Pickup - Iveco Daily Tipping Pickup 3.5T	£47,490	£47,475	£15	Delivered Sept 24.
Minibus - Mercedes Benz - Disabled Access	£0	£130,720	(£130,720)	Ordered 01/08/24 - Slippage 2025/26 (Delivered 30/04/25).
Sweeper - Scarab Euro 5 Minor	£94,790	£100,000	(£5,210)	Ordered 12/07/24 - Delivered Nov 24.
Teletruck - JCB TLT 35D 2WD	£0	£100,000	(£100,000)	Accelerated to 2023/24 - Arrived 27/03/24 PVRP 23/24 spend.
Fiat Ducato Chiller Van	£0	£30,000	(£30,000)	Service cancelled replacement.
Car - Nissan ENV200 Electric 7 Seater	£27,608	£30,000	(£2,392)	Ordered 12/07/24 - Delivered Dec 24.
Minibus - Mercedes Benz - Disabled Access	£0	£130,000	(£130,000)	Ordered 01/08/24 - Slippage 2025/26 (Delivered 30/04/25).
Minibus - Volkswagen Crafter CR50 - Disabled Access	£0	£65,000	(£65,000)	Ordered 10/05/24 - Slippage 2025/26 (Delivered 16/04/25).
VW Transporter T30 Startline TDI	£0	£50,000	(£50,000)	Accelerated to 2023/24 Arrived 30/03/24 - PVRP 23/24 spend.
Isuzu Fire Tender	£0	£72,000	(£72,000)	Moved to 25/26 programme.
Isuzu Fire Tender	£0	£72,000	(£72,000)	Moved to 25/26 programme.
Nissan ENV200 Elec Car	£0	£30,000	(£30,000)	Service requested change to small minibus - in progress, however was not possible to complete the purchase during the 24/25 financial year.
VW Transporter T30 Startline TDI	£0	£30,000	(£30,000)	Ordered 20/09/24 - Slippage 2025/26 (Delivered 23/05/25).
DAF HL5 Hooklift	£210,708	£110,000	£100,708	Order placed on June 11, 2024: The vehicle type has been changed to a multi-purpose vehicle. This includes a tipper body, gritter body, and replacement hotbox body, making it a more versatile and larger vehicle. Delivered Mar 25.
Iveco Daily Tipping Pickup	£0	£48,000	(£48,000)	Moved to 25/26 programme.
Iveco Daily Tipping Pickup	£0	£48,000	(£48,000)	Moved to 25/26 programme.
Tractor Compact MF 1525	£28,000	£31,400	(£3,400)	Delivered Sept 24.
Dumper Benford PS3000 3T 4x4	£40,685	£25,000	£15,685	Ordered 13/08/24 Delivered Dec 24: Additional cost was due to the fitment of a cab frame, which had not been specified on the original order.
Mercedes Benz Econic 2629LL	£221,582	£230,000	(£8,418)	Ordered 07/06/24 - Delivered Jan 25.
HL20 Extra High Sided Open Skip	£6,150	£7,100	(£950)	Ordered 22/08/24 - Delivered Oct 24.
Timm Green Waste Shredder	£0	£75,000	(£75,000)	Under discussion with Service - move to 25/26 programme.
Weighbridge - Shering platform	£0	£40,000	(£40,000)	Under discussion with Service - move to 25/26 programme.
Contingency	£0	£27,835	(£27,835)	

Plant & Vehicle Replacement Programme	Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Purchase Status/Update
Additional Purchases in 2024/25 (Accelerated From Indicative 2024-2027 Programme)				
Iveco Daily 70C17 7T pickup in 25/26 replace with crew cab one	£60,270	£0	£60,270	Ordered 22/08/24 - Delivered Feb 25.
IVECO DAILY 70C17 PICKUP	£60,145	£0	£60,145	Ordered 22/08/24 - Delivered Feb 25.
Gritter body for SP16 YFC	£23,674	£0	£23,674	Ordered 29/10/25 - Delivered Mar 25.
Van Renault Kangoo Hyd/Elec	£22,157	£0	£22,157	Delivered Jul 24.
Van Renault Kangoo	£22,157	£0	£22,157	Delivered Jul 24.
Van Renault Kangoo	£22,157	£0	£22,157	Delivered Jul 24.
JCB 8018 CTS Excavator	£44,200	£0	£44,200	Ordered 11/07/24 - Delivered Mar 25.
HL20 High sided Open Skip	£7,515	£0	£7,515	Ordered 22/08/24 - Delivered Oct 24.
HL20 High sided Open Skip	£7,515	£0	£7,515	Ordered 22/08/24 - Delivered Oct 24.
HL5 Low Sided Open Skip	£10,760	£0	£10,760	Ordered 22/08/24 - Delivered Oct 24.
HL5 Low Sided Open Skip	£10,760	£0	£10,760	Ordered 22/08/24 - Delivered Oct 24.
HL5 Low Sided Open Skip	£6,750	£0	£6,750	Ordered 22/08/24 - Delivered Nov 24.
DAF Terberg Matec Recycler	£176,665	£0	£176,665	Ordered 30/09/24 - Delivered Mar 25.
Additional 3 vans to replace leased vehicles	£67,797	£0	£67,797	Ordered 20/09/24 - Delivered Oct 24.
Slippage from 2023/24				
Mower Verge Cutter - Shelbourne Reynolds PB450	£18,500	£0	£18,500	Delivered May 24.
HL5 High Sided Closed Skip	£6,750	£0	£6,750	Ordered 22/08/24 - Delivered Oct 24.
HL5 High Sided Closed Skip	£6,750	£0	£6,750	Ordered 22/08/24 - Delivered Oct 24.
HL5 High Sided Closed Skip	£5,317	£0	£5,317	Ordered 22/08/24 - Delivered Oct 24.
HL5 Bottle bank Skip	£5,317	£0	£5,317	Ordered 22/08/24 - Delivered Nov 24.
HL5 Bottle bank Skip	£5,317	£0	£5,317	Ordered 22/08/24 - Delivered Nov 24.
GENERAL FUND	£1,334,976	£1,733,500	(£398,524)	

Plant & Vehicle Replacement Programme	Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)	Purchase Status/Update
Trading Service Purchases - Funded by The Service				
Marine Services				
Peugeot Boxer Pickup	£55,595	£0	£55,595	Delivered.
Renault Kangoo Van Electric	£0	£24,000	(£24,000)	Still in discussion with service.
Land Rover Defender 110	£0	£35,000	(£35,000)	Service requested moved to 25/26.
Iveco Pickup	£0	£48,000	(£48,000)	Service requested moved to 25/26.
Yale Forklift	£0	£35,000	(£35,000)	Service requested moved to 25/26.
	£55,595	£142,000	(£86,405)	
Quarry Services				
Renault Kangoo Electric Van	£0	£24,000	(£24,000)	Accelerated to 2023/24 arrived 11/03/24 - PVRP 2023/24 spend.
Finlay 693+ Supertrak s/no TRX693STKDGB52875	£0	£140,000	(£140,000)	Still in discussion with service.
Diesel Powered Water Pump	£21,500	£0	£21,500	Ordered 26/09/24 - Delivered Nov 24.
	£21,500	£164,000	(£142,500)	
NON-GENERAL FUND	£77,095	£306,000	(£228,905)	
Contact Officer - Service Manager (Fleet), Extn 4240	£1,412,071	£2,039,500	(£627,429)	

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2024/2025			Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)
Datacentre Replacements					
<i>Server Room Replacement</i>			£24,274	£25,000	(£726)
The replacement of server and network room equipment, including Uninterruptible Power Supply (UPS) systems, remote management, monitoring, and access controls. Additional UPS units have been ordered and installed in care home server rooms. Networking equipment and UPS devices have been procured and installed - work completed.					
Server Replacements					
<i>Replacement of servers that are end-of-life</i>			£26,031	£25,000	£1,031
The replacement of servers that have reached or exceeded their operational lifetime and vendor support is in progress. Servers being upgraded have arrived and are installed.					
<i>Replacement of Storage and Backup Infrastructure</i>			£8,004	£10,000	(£1,996)
The replacement of storage that is nearing capacity to enhance the resilience of data backups. Additional server backup storage capacity for webserver infrastructure has been procured and installed.					
Local Area Network Replacements					
<i>Wi-Fi Modernisation</i>			£31,013	£30,000	£1,013
The Wi-Fi systems have been renewed and improved to maintain capacity and support, replacing end-of-life equipment and introducing 6th generation Wi-Fi 6 services. The systems have arrived, been installed, and the project is now complete.					
<i>Replacement of Network Switches</i>			£37,566	£35,000	£2,566
The replacement of network switches that were at the end of support. Ensuring devices are within current support is crucial for maintaining Public Sector Network Accreditation in line with the Public Sector Action Plan. The systems have arrived, been installed, and the project is now complete.					
Telephony					
<i>Analogue to Digital Switchover</i>			£96,739	£100,000	(£3,261)
The replacement of voice infrastructure is necessary due to the scheduled analogue switch-off in December 2025. This project extends the Council's core switchboard with updated equipment. So far, 33 sites have been moved to the Council phone system, with 26 sites remaining. This project will continue into the next FY2025/26.					
Security Gateways					
<i>Proxy/Firewall Replacements</i>			£0	£20,000	(£20,000)
The replacement of firewalls is necessary due to new technologies. Replacement web gateways (web proxies) has been investigated, and was delayed until next FY2025/26.					

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2024/2025	Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)
Wide Area Network Replacement			
<i>Replacement of End Life and Poor Performing Radio Wireless and Microwave Mast Equipment</i>	£64,802	£45,000	£19,802
<p>The replacement of core WAN Wi-Fi infrastructure is necessary to maintain reliable connectivity between our primary mast sites and associated care homes. This upgrade includes the installation of new wide area networking switches alongside the replacement of outdated microwave links. All necessary equipment has been procured and successfully installed. At present, any emergency replacements are being temporarily funded under the 'Other' budget code (see details below).</p> <p>Due to the deferral of the new web gateway system procurement (above) to FY 2025/26, planned acquisition of WAN microwave equipment was accelerated to ensure full utilisation of the IT Replacement Programme 2024/25 budget.</p>			
Device Replacement			
<i>Replacement of end User Devices (Corporate)</i>	£40,214	£40,000	£214
<p>The replacement of end-of-life user devices in Council Offices is ongoing. This initiative will fund approximately 60 devices out of an asset base of around 1200 devices. Devices have been received and issued to staff as part of the Windows 11 upgrade rollout. This project continues into next FY2025/26</p>			
<i>Replacement of end User Devices (Schools).</i>	£59,488	£60,000	(£512)
<p>The replacement of end-of-life user devices in schools is ongoing. This initiative will fund approximately 120 devices across 22 schools, from an asset base of around 3000 devices. A number of devices have been received and have been issued to Schools as part of the Windows 11 upgrade rollout. This project will continue into next FY2025/26.</p>			
Other			
<i>Failures and Emergency Replacements of Capital Equipment</i>	£31,216	£30,000	£1,216
<p>Funding has been allocated to replace devices that fail and are not covered by repairs, as well as any systems that do not meet security audit requirements. This is particularly focused on addressing WAN wireless issues in Stromness, Shapinsay, and on the backhaul between Kirkwall and Stromness</p>			
Contact Officer - Services Manager (ICT), Extension 2152	£419,346	£420,000	(£654)

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2024/2025	Outturn 2024/25	Budget 2024/25	Overspend/ (Underspend)
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Additions to Approved Programme: COVID-19 Recovery Projects			
<i>Replacement of Corporate IT Equipment</i>	£29,275	£29,900	(£625)
There has been an expansion of IT equipment to facilitate home working and connection to office G drives, resulting in the continued use of some equipment that would otherwise have been retired. This initiative includes the replacement of aging backup infrastructure with an immutable backup system. Additionally, replacement networking infrastructure has been procured for the corporate estate. All orders for equipment have been placed, received, and installed. This project is now complete.			
<i>Replacement of School's IT Equipment</i>	£3,397	£3,700	(£303)
The age profile of the IT equipment deployed across the education service indicates that many young learners are using computer equipment older than they are, leading to reliability and capability constraints. This allocation from the COVID-19 Fund will supplement the regular replacement of schools' IT equipment. The majority of the expenditure has been on interactive displays. The second round of interactive displays for schools has been delivered and installed. Additionally, networking equipment for schools has been procured and invoiced. This project is now complete.			
<i>Windows 11</i>	£29,281	£30,500	(£1,219)
This project aims to upgrade the corporate desktop and laptop estate to Windows 11. The first stage involves deploying 300 new Windows 11 devices, funded in the 2022/23 financial year. All ordered items have been received. The remaining budget was carried over into the 2024/25 financial year and used to purchase additional laptops, which have now been deployed. This project is now complete.			
Contact Officer - Services Manager (ICT), Extn 2152	£61,953	£64,100	(£2,147)